[Mr. R. Nilakanta Pillai.]

Highness' tour to Europe last year. Under Education, the expected saving is mainly under Grants-in-aid and under Collegiate Education.

5. On the Capital side, the receipts from the sale of Government lands are expected to be only Rs ·70 of a lakh against the budgeted receipt of Rs 1 lakh, while the capital expenditure stands revised at (—) Rs 3·60 lakhs, due to the fact that the expenditure incurred on the Electric and Telephone schemes to the end of last year has been transferred to Debt Heads by deduction from this head, as these works are to be accounted for under investments on reproductive works. The Government Account balance at the close of the current year is thus expected to stand at Rs 118·93 lakhs.

BUDGET ESTIMATES FOR 1110.

6. I shall now pass on to the budget of the coming year. The economic depression which has been correctly described as unprecedented alike in its extent, its duration and its intensity still persists. Commodity prices, subject to minor recoveries, *i. e.*, in tea and rubber, still remain low. The present economic situation has been taken into consideration, to the extent possible, in framing the next year's estimates of receipts and expenditure.

The revenue is estimated at Rs 232·93 lakhs and an expenditure of Rs 230·33 lakhs has been provided for, thus leaving a surplus of Rs 2·60 lakhs. Sale of Government lands is expected to bring in Rs 1 lakh and our programme of Capital expenditure is estimated at Rs 5·39 lakhs. We shall thus be drawing from our accumulated surplus Rs 1·79 lakhs for our Capital undertakings.

REVENUE.

7. The estimates under all the important heads of revenue are based mainly on the revised estimates for the current year. The revenue budgeted for the next year is Rs 232·93 lakhs as against the current year's revised estimate of Rs 232·66 lakhs. While improvement in revenue to the extent of Rs 3·07 lakhs is anticipated under some of the major heads especially Customs, decreases amounting to Rs 2·80 lakhs are anticipated under others.

Customs.—The levy of an Excise duty on matches, which was one of the measures of taxation contemplated for the purpose of balancing the budget under the Federation, has now been given effect to in advance by the Government of India. This Government, along with the other Indian States, have agreed to levy a corresponding duty on matches manufactured in the State and to pay the proceeds thereof into a common pool, along with the proceeds of the British Indian duty for ultimate distribution between British India and the Indian States on the basis of population. Recently,

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